

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7015**

**BILL NUMBER:** HB 1251

**NOTE PREPARED:** Feb 8, 2011

**BILL AMENDED:** Jan 31, 2011

**SUBJECT:** Young Entrepreneur Program.

**FIRST AUTHOR:** Rep. Ellspermann

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill requires the Indiana Economic Development Corporation (IEDC) to establish a Young Entrepreneurs Program to promote the business proposals of students in entrepreneurial programs at state educational institutions. It provides that the program must include at least one auction per year in which communities bid for the opportunity to locate a young entrepreneur's start-up business in their community. It requires the Office of Community and Rural Affairs to assist rural communities in preparing for an auction. The bill also requires annual reporting on the impact of the program.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** (Revised) *IEDC:* This bill requires the IEDC to establish the Young Entrepreneurs Program. The IEDC will have to review applications for participation in an auction, and select the applicants that meet the requirements for participation. The bill also provides that the IEDC may assist the entrepreneurs selected to participate in the program with the development of their business proposals.

Establishing the Young Entrepreneurs Program will likely increase expenses for the IEDC. However, the bill provides that the IEDC may use any funds available to them in order to implement this program. The bill also allows the IEDC to impose reasonable fees on communities or economic development organizations that participate in auctions. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

*OCRA:* This bill requires OCRA to assist rural communities and economic development organizations that serve rural communities in preparing for auctions, (reviewing business proposals and preparing bids). OCRA should be able to fulfill this requirement with no additional appropriations, assuming near customary agency

staffing and resource levels.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IEDC; OCRA.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.